

1 At the same time, by marketing Qwest's service directly, U S WEST has given Qwest the  
2 ultimate "warm transfer," because the Qwest customer, unlike the AT&T customer, gets to talk  
3 immediately to its long distance carrier's sales representative – in Qwest's case, U S WEST.  
4 Moreover, if customers subsequently call with questions that should be referred to Qwest, U S  
5 WEST states that its representative "will automatically transfer the call to Qwest" – the opposite  
6 of its policy with AT&T. U S West Brief, p. 7. This further illustrates the ways in which this  
7 marketing agreement creates illicit favoritism of, and discrimination among, long distance  
8 carriers by U S WEST, and leads to its abandonment of its assigned neutral role as PIC  
9 administrator.  
10

11 8. Finally, in addition to the grounds discussed by Mr. McMaster, there is an  
12 additional requirement in the U S WEST Qwest agreement that would make it highly  
13 disadvantageous for AT&T's marketing to small business customers: Section 2.5 of the Qwest  
14 agreement would require AT&T to permit U S WEST to take control of its billing. While AT&T  
15 does not object to appearing on a single U S WEST bill with respect to its residential customers,  
16 the separate billing of business customers – who often need more specialized formats and  
17 capabilities because of accounting and expense tracking objectives – is a highly significant  
18 means by which AT&T differentiates its service from those of its competitors. Furthermore, a  
19 separate bill provides a regularized mechanism through which AT&T can communicate with its  
20 customers regarding new services, price changes, and other issues of concern. Under the Qwest  
21 agreement, however, AT&T would no longer be able to differentiate its service on this basis, and  
22 would lose control over this valuable channel of communication.  
23  
24  
25  
26

9. I declare under penalty of perjury that the foregoing is true and correct.  
Executed on May 29, 1998.

  
Clifford Holz





4480 Whitt Road  
Pleasanton, CA 94566

May 24, 1995

Mr. Sandy Sanderson  
Manager-U S WEST  
1600 7th Avenue  
2714 Bell Plaza  
Seattle, WA 98191

Dear Sandy,

This is a request for U S WEST to file an access tariff for On-Line Transfer service for customers having a "business" class of service. AT&T is requesting that access tariffs be filed by July 31, 1995, with service availability by September 30, 1995.

On-Line Transfer service directs the Access Provider to offer to forward customers to AT&T via a toll free telephone number, when the customer selects AT&T as their primary inter-exchange carrier. AT&T's experience is that approximately 80% of customers accept the offer of transfer and about 20% decline the offer. AT&T does not expect to have customers with billing inquiries transferred to the number designated for On-Line Transfer. Calls of that nature would be handled through already established channels. Additionally, AT&T is requesting that U S WEST bill On-Line Transfer service via the existing Billing and Collection Bill.

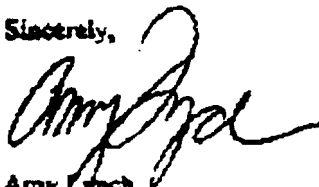
AT&T plans to use On-Line Transfer service for customers designated by U S WEST as having a "business" class of service and who meet the following criteria:

1. They select AT&T as their long distance carrier with a "288" PIC for a new line (new and existing businesses).
2. They change to AT&T as their long distance carrier with a "288" PIC for an existing line.
3. They move and select AT&T as their long distance carrier with a "288" PIC.
4. They call to inquire about a service-type product offered by AT&T.

Although other AT&T entities have previously held discussions with U S WEST concerning this service, AT&T is now officially requesting that access tariffs be filed for this service. Several On-Line Transfer tariffs are in effect or about to become effective. Copies of these tariff filings can be made available to assist you in developing tariff language.

Please provide a written response to this request by June 5, 1995. If you have any questions, please contact Joan Ellsworth on (510) 224-4146 or Peggy Reader on (303) 292-6172.

Sincerely,



Amy Lynch  
Manager Service Development

Copies to: Patty Hahn, Carl Hunt, Sherry Minton, Peggy Reader



Plan & Wire  
Access Vice President West

4480 Wilcox Road  
Room 100  
Pleasanton, CA 94588  
916 224-1020

June 29, 1995

M.S. Marge Goetze  
Vice President - Carrier Market  
AT&T Account Team  
U S WEST Communications, Inc.  
1801 California Street, Room 2440  
Denver, Colorado 80202

Dear Marge,

On May 24, 1995, AT&T requested that U S WEST file a tariff for On-Line Transfer service for "business" class customers. On June 5, 1995, U S WEST responded that On-Line Transfer does not fit with U S WEST's corporate strategy and the decision was made to not offer this service to customers.

U S WEST currently has a tariff in place to offer this service to its residential customers that allows for carriers to subscribe to and pay for On-Line Transfer. AT&T would like to put its small business customers on the "best" service solution at the first opportunity, which is at the time they have selected AT&T as their carrier. Today, it can take up to 20 days for AT&T to identify new customers that have PIC'd AT&T. An On-Line Transfer process would allow AT&T to put customers on the right service at the time of the initial call.

As stated in the May 24, 1995 letter, AT&T's experience is that about 80% of customers accept the offer of on-line transfer. Several access suppliers' On-Line Transfer tariffs are already effective or are about to become effective. AT&T wants to use On-Line Transfer for customers designated by U S WEST as having a "business" class of service and who meet the criteria as previously stated.

AT&T plans to implement On-Line Transfer nationwide by the end of September, 1995. AT&T requests that U S WEST re-evaluate its June 5, 1995, position and file a tariff by July 31, 1995, with service available by

JUL-27-1995 23:38

P. 84

September 30, 1995. Please provide a written response by Friday, July 7, 1995, that responds to AT&T's request.

Sincerely,

  
for  
Rita J. Wren

cc: C. Hunt, M. Johnson, A. Lynch, S. Sanderson, P. Reader, P. Hahn

JUL-13-1995 22:04

F.02

*July 12*

U S WEST Communications, Inc.  
1681 California Street, Room 2442  
Berkeley, California 94702  
202 599-0852

M. S. "Marty" Ranshe  
Vice President  
Credit Manager  
AT&T Account Management

**USWEST**  
COMMUNICATIONS ©

July 7, 1995

Rian Wren  
AT&T - Access Vice President  
4480 Willow Road - Room 100  
Pleasanton, California 94588

Dear Rian:

I am responding to your June 29, 1995 letter requesting that U S WEST re-evaluate our position regarding tariffing an On-Line Transfer service for business customers. We have re-evaluated your request for this service through the "Customer Expectation" process.

Although U S WEST has a current residential tariff for On-Line Transfer, this service will not be offered to business customers. On-Line Transfer does not fit with U S WEST's corporate strategy and the decision remains not to offer this service to business customers. U S WEST does not wish to pursue this request further.

U S WEST recognizes AT&T's concern that it can take up to 20 days to identify new customers. Our quality process indicators show that the service order process takes an average of 9 to 14 days for notification to occur to AT&T. We also recognize that AT&T wants their customers on the right service initially. U S WEST wants to assist AT&T's efforts to shorten the interval before you contact your customers and we have implemented a process team through the subscription group. Linda Miles on my staff is the account team contact on this team. We are confident that significant progress can be made through this team's efforts.

Again, I apologize that I cannot meet your expectation regarding this specific request. If I can be of further assistance, please do not hesitate to call me or Mike Johnson on (503) 896-0832.

Yours truly,

*Marty*



**August 30, 1995**

**M.S. Marge Gorshe**  
Vice President - Carrier Market  
AT&T Account Team  
U S WEST Communications, Inc.  
1801 California St., MBC 244C  
Denver, CO 80202

Dear Marge,

This letter is being issued to modify AT&T's original request dated May 24, 1995 requesting that U S WEST file an access tariff for On-Line Transfer Service for business class customers. Although U S WEST's last two responses state that this service is not a strategic/feasible product opportunity for you to pursue, AT&T views this as a reasonable request for service and believes you are obligated to provide such service at a reasonable, cost-based rate under Section 201 of the Communications Act. AT&T would like to begin purchasing this feature--assuming we agree on terms and price--from your business offices by 4th quarter 1995.

Specifically, AT&T wishes to order an On-Line Transfer feature (depending upon the exact offering price) for business customers who call you to order a new line, an additional line, or change their PIC to order a new line. With On-Line Transfer Service, once U S WEST's representatives have completed their business, they would then always transfer to an AT&T representative all calls from business customers. AT&T would provide an 800 number to receive these on-line transfers. We would expect that your representatives, after connecting the end user to us and verifying the connection, would hang up and not participate further in the conversation.

On-Line Transfer service will allow the AT&T representative to discuss additional terms and features of AT&T long distance service, and will help assure that business customers sign up initially for the "right" AT&T business service. We suggest the following dialog for U S WEST's representative:

"Now that you've selected AT&T as your long distance carrier, I'm going to transfer you to AT&T. Please have the telephone number I just provided to you ready, so you can provide it to the AT&T representative."

To	Initials	Date
P. READER	R. F. R.	8/10/95
A. LYNCH	R. F. R.	8/31
C. HUNT	R. F. R.	9/1
R. WREN		

AT&T does not intend this proposal to affect in any way calls from customers with billing inquiries or other questions for AT&T. We would expect to continue to handle those calls through already-established channels. The 800 number for the On-Line Transfer feature would be separate and used only for customers whose PICs are changed to "10288".

Please respond to this request by September 14, 1995 with your plans to support the tariffing of On-Line Transfer Service. Should U S WEST continue to decline this request for service, AT&T will have to consider its legal alternatives. If you have any questions please give me a call at (510) 224-1020 or have your staff contact either Amy Lynch on (303) 298-6169 or Peggy Reader on (303) 298-6172

Sincerely,



cc: C. Hunt, M. Johnson, A. Lynch, T. Bessey, P. Reader, P. Hahn

18/11/95 13:17  
SEP-14-1995 04:54

TELEPHONE MESSAGES FOR WEST - 2130 XXXXXX

P.02

U S WEST Communications Inc.  
500 California Street, Suite 2400  
Denver, Colorado 80202  
800 888-8888

W. E. "Bugs" Gorman  
Vice President  
Customer Service  
AT&T Avenue Communications

**U S WEST**  
COMMUNICATIONS ©

September 14, 1995

Allen Wren  
AT&T  
4440 Wilcox Road  
Room 100  
Pleasanton, CA 94568

Dear Rick:

Your August 30, 1995 letter again requesting that U S WEST file an On-Line Transfer service for customers having a "business" class of service has been reviewed. Unfortunately, U S WEST has not changed our position from previous correspondence.

At this time, U S WEST does not wish to pursue this request further with AT&T. On-Line Transfer does not fit with U S WEST's corporate strategy and the decision remains not to offer this service to customers. U S WEST is of the opinion that we are not obligated to offer this type of service under Section 201 of the Communications Act.

I recognize AT&T's goal of shortening the time in which you make your initial contact with your customer and during that time receive the right service solution during your initial contact. U S WEST is continuing to make improvements with the subscription process team that is in place.

Currently, U S WEST informs AT&T of a new customer within 3 days in 95% of the cases via the CABLE system. I will continue to monitor this process team's efforts and I will be happy to offer any assistance to AT&T that I can regarding this process.

Again, I apologize that I cannot meet your expectation regarding this specific request. If you are planning to submit this issue as part of the discussion for the Officers' meeting in September, please let me know. Do not hesitate to call me if I can be of further assistance.

Yours truly,

*W. E. Gorman*  
WEG

9/14/95 found - T. Bradley



The Honorable William L. Dwyer

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

AT&T CORP., et al.,

Plaintiff,

v.

U S WEST COMMUNICATIONS, INC.,

Defendant.

No. C98-634 WD

DECLARATION OF CHARLES  
WARD

1. I am Vice President-Government Affairs for AT&T Communications, Inc. ("AT&T") in Denver, Colorado and am responsible, with others, for monitoring the implementation of the Telecommunications Act of 1996 ("Act") in U S WEST'S fourteen-state region. In that capacity I have been directly involved in AT&T's attempts to provide local service in the U S WEST region and also have observed U S WEST's actions that have thwarted entry into U S WEST's local markets by both AT&T and other carriers. I offer this Declaration in response to the claims in U S WEST's Memorandum in this proceeding and Victoria Aguilar's Declaration supporting U S WEST's Memorandum. In summary, I conclude that the claims made by U S WEST are irrelevant to the openness of U S WEST's local markets to competition. that those markets remain subject to U S WEST's monopoly control, and that AT&T today could

DECLARATION OF CHARLES WARD - 1

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Seattle

Davis Wright Tremaine LLP  
LAW OFFICES

2600 Century Square - 1501 Fourth Avenue  
Seattle, Washington 98101-1688  
(206) 622-3150 Fax (206) 628-7699

1 not provide the one-stop shopping so easily achieved by U S WEST when it combined with  
2 Qwest.

3         2. As I understand U S WEST's statements, U S WEST suggests AT&T could offer  
4 one-stop shopping because there are no longer legal barriers to entry for U S WEST's local  
5 markets and because AT&T has three avenues for entry into those markets. It also appears to me  
6 that U S WEST is arguing that it could satisfy the standards of Section 271 of the Act. This is so  
7 even though U S WEST has yet to file a Section 271 application with the Federal  
8 Communications Commission ("FCC") and is only in the initial stages of proceedings before  
9 state commissions to examine whether U S WEST has taken the steps necessary to satisfy  
10 Section 271's standards. However, Ms. Aguilar's and other of U S WEST's factual allegations  
11 fail to demonstrate that U S WEST's local markets are open to sustainable competition or that  
12 AT&T could offer one-stop shopping for local service and long distance services in U S WEST's  
13 region.

- 14         3. As an initial proposition, Ms. Aguilar's claim in ¶2 of her Declaration, that  
15 U S WEST no longer has legal monopolies, matters little because U S WEST has controlled  
16 *de facto* and *de jure* monopolies throughout its region during most of this century. This allowed  
17 U S WEST to construct local networks with ratepayer funds and without competition. In turn, it  
18 gave U S WEST bottleneck control over local networks that has been recognized by Congress.  
19 the courts and the FCC.

20         4. In the same vein, the mere fact that U S WEST has signed many agreements with  
21 potential competitors or expended millions of dollars since passage of the Act does not  
22 demonstrate the openness of U S WEST's local markets. See Aguilar Declaration, ¶¶ 3-13. The  
23 content of those agreements and, more fundamentally, how and whether they are being  
24 implemented, are the critical issues. Those issues will be addressed when and if U S WEST files  
25 applications with the FCC under Section 271 of the Act. The state commission filings related to  
26 Section 271 referenced in ¶ 14 of the Aguilar Declaration are only preliminary factual

1 investigations and in fact have only recently begun. Furthermore, in one of those proceedings,  
2 before the Wyoming Commission, U S WEST itself has alleged that there has been no  
3 competitive entry in that State.

4 5. Although U S WEST claims it has made efforts to open its markets, U S WEST  
5 fails to note that it has been fined for failing to comply with its contractual duties to turn over  
6 critical documents necessary to provide nondiscriminatory access to components of its local  
7 networks.<sup>1</sup> Furthermore, numerous competitive local carriers have been forced to bring  
8 complaints against US WEST for its failure to comply with the market-opening requirements of  
9 the Communications Act.<sup>2</sup>

10 6. U S WEST argues there are three avenues through which AT&T could enter U S  
11 WEST's local markets or provide one-stop shopping. Unfortunately, none of those avenues  
12 allow AT&T or other carriers to provide broad-based local entry or one-stop shopping for  
13 telecommunications services. I address consecutively U S WEST's claims with regard to resale

14 <sup>1</sup> See Order Finding Continuing Violation and Levying Civil Penalties, State of Iowa, Dept. of  
15 Commerce Utilities Board, In re MCIMetro Access Transmission Services, Inc., and U S WEST  
16 Communications, Inc., Doc. No. A1A-96-2 (Arb. 96-2) (Apr. 4, 1997); see also Order to Show  
17 Cause and Notice of Prehearing Conference, Colorado Public Utilities Commission Docket No.  
18 97C-432T (Sept. 26, 1997) (directing U S WEST to justify use of web-based interface to provide  
19 access to resale and certain network elements, which State has determined "may not comply with  
the Act and the FCC Order"); In re: U S WEST Communications, Inc., Iowa Utilities Board  
Docket No. RPU-96-9, Final Decision and Order (Apr. 23, 1998) (finding web-based interface  
developed by U S WEST for access to resale and certain network elements does not meet  
requirements of the Act).

20 <sup>2</sup> See, e.g., American Communication Services, Inc. v. U S West Communications, Docket No.  
21 F01051B-98-0144, Az. Corporation Commission (filed March 18, 1998) (alleging delay and  
22 misinformation that has prevented ACSI "from bringing competition to Arizona  
23 telecommunications consumers"); In the Matter of Complaint by American Communications  
24 Services, Inc. Against U S West Communications, Inc., Docket No. 98-150-TC, New Mexico  
25 State Corporation Commission (filed March 17, 1998) (same); In the Matter of Complaint by  
26 InfoTel Communications, LLC Against U S West Communications, Inc. Concerning Resale of  
Contract Services, MPUC Docket No. P-421/C-98-10, Minnesota Public Utilities Commission  
(filed Jan. 2, 1998) (alleging unreasonable and discriminatory limitations on resale of  
telecommunications services, in violation of Act); In the Matter of the Complaint of MCIMetro  
Access Transmission Services Against U S West Communications, Inc., Docket No. p-421/C-97-  
1348, Minnesota Public Utilities Commission (Nov. 4, 1997) (order finding jurisdiction and  
initiating expedited proceeding concerning MCIMetro's allegation that U S West is inhibiting the  
development of local competition).

1 of U S WEST's services, reliance on U S WEST's provision of unbundled elements or entry by a  
2 few carriers in limited areas.

3         7.       Resale of U S WEST's services is not a viable option for AT&T's broad-based  
4 local entry or the offering of one-stop shopping. First, and with specific regard to one-stop  
5 shopping, Section 271(e) of the Act bars AT&T's packaging of resold local service with AT&T's  
6 long distance services. Second, the resale discounts established by state commissions pursuant to  
7 Sections 251 and 252 of the Act are far too low to allow viable resale competition. By way of  
8 comparison, they are much less than the resale discounts available in the competitive long  
9 distance markets. Furthermore, AT&T already has lost hundreds of millions of dollars  
10 nationwide attempting to compete in local markets on a resale basis. Finally, necessary  
11 operational support systems ("OSS") required under the Act, as well as other standards and  
12 procedures subject to U S WEST's control, are not yet in place in the U S WEST region. (OSS  
13 include the computer systems that are necessary for determining whether an order can be placed,  
14 placing the order, checking its status, and processing billing, repair and maintenance once service  
15 is established.).

16         8.       Reliance on U S WEST's unbundled network elements for broad-based entry or  
17 one-stop shopping in competition with the U S WEST/Qwest offering similarly is impossible.  
18 Not only has U S WEST failed to establish the required OSS, standards and procedures necessary  
19 for other carriers to access unbundled elements, U S WEST also has effectively refused to  
20 provide unbundled network elements in combination and has sought to escape any obligations to  
21 do so under existing agreements. (Combinations of network elements are critical to allow broad-  
22 based local competition with U S WEST; they are required under the Act.) Instead, U S WEST  
23 requires carriers to be collocated in all of its hundreds of switching offices or to attach to a  
24 "SPOT Frame" in those offices to obtain access to unbundled elements.

25         These alternatives are both technically and operationally infeasible and would inevitably  
26 provide poorer quality access for AT&T and other carriers than U S WEST provides itself.

1 Indeed, the Iowa Utilities Board recently concluded that U S WEST's "SPOT frame approach is  
2 inefficient, expensive, inconsistent with network security, and provides discriminatory access to  
3 UNEs."<sup>3</sup> Not surprisingly, carriers in U S WEST's region have not been able to use U S WEST's  
4 proffered methods of access to unbundled elements.

5 9. U S WEST also points to certain limited entry by carriers such as McLeodUSA  
6 and NEXTLINK to demonstrate that local competition exists and that one-stop shopping could  
7 be offered by these or other carriers. Crandall Declaration ¶ 10. But even U S WEST recognizes  
8 this entry has occurred in only a few locales. Id. Furthermore, such carriers market primarily to  
9 a limited set of business customers in those locales. In addition, they must rely upon U S WEST  
10 unbundled elements or resold services as to which U S WEST has foreclosed or degraded access.  
11 Unfortunately, entry by such carriers will not produce broad-based local competition or  
12 opportunities for one-stop shopping in the foreseeable future.

13 10. Finally, I would note that Ms. Aguilar's claims regarding AT&T's  
14 commencement of arbitrations in state commissions, ¶ 12, or lack of entry by AT&T in  
15 U S WEST's local market, id., tell far less than half of the story. AT&T commenced arbitrations  
16 in front of state commissions because of U S WEST's intransigence, while U S WEST has  
17 appealed every state commission decision that has become final in those arbitrations and avoided  
18 implementing them through a variety of devices. In short, it is far too early to conclude that  
19 AT&T will not be able to enter U S WEST's local markets, but U S WEST first must act so that

20 //

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25 <sup>3</sup> In re: AT&T Communications of the Midwest, Inc., and U S WEST Communications, Iowa  
26 Utilities Board Docket Nos. A1A-96-1 et al., Final Arbitration Decision on Remand, p.21 (May  
15, 1998).

1 such entry becomes possible. Until that time, AT&T will not be able to provide the kind of one-  
2 stop shopping U S WEST so easily achieved by its arrangement with Qwest.

3 DATED this 29 day of May, 1998.

4   
5 CHARLES WARD

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DECLARATION OF CHARLES WARD - 6  
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Seattle

Davis Wright Tremaine LLP  
Law Offices  
2500 Century Square - 1501 Fourth Avenue  
Seattle, Washington 98101-1688  
(206) 622-3150 - Fax: (206) 628-7099



The Honorable William L. Dwyer

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

AT&T CORP.,

MCI TELECOMMUNICATIONS  
CORPORATION,

ASSOCIATION FOR LOCAL  
TELECOMMUNICATIONS SERVICES,

McLEOD USA TELECOMMUNICATIONS  
SERVICES, INC.,

ICG COMMUNICATIONS, INC.,

GST TELECOM, INC.,

Plaintiffs,

v.

U S WEST COMMUNICATIONS, INC.,

Defendant.

No. C98-634 WD

AFFIDAVIT OF LEWIS M.  
CHAKRIN

**FILED UNDER SEAL**

**AFFIDAVIT OF LEWIS M. CHAKRIN**



IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

AT&T CORP., )  
MCI TELECOMMUNICATIONS )  
CORPORATION, )  
ASSOCIATION FOR LOCAL )  
TELECOMMUNICATIONS SERVICES, )  
McLEOD USA TELECOMMUNICATIONS )  
SERVICES, INC., )  
ICG COMMUNICATIONS, INC., )  
GST TELECOM, INC., )  
Plaintiffs, )  
v. )  
U S WEST COMMUNICATIONS, INC., )  
Defendant. )

No. C98-634 WD

EXHIBIT A TO DECLARATION OF  
LEWIS M. CHAKRIN

**FILED UNDER SEAL**

**EXHIBIT A**



FROM :

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554

AUG 30 1996

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )

Implementation of the Non-Accounting )  
Safeguards of Sections 271 and 272 of the )  
Communications Act of 1934, as amended: )

and )

Regulatory Treatment of LEC Provision )  
of Interexchange Services Originating in the )  
LEC's Local Exchange Area )

CC Docket No. 96-149

DOCKET FILE COPY DUPLICATE

REPLY COMMENTS OF U S WEST, INC.

Robert B. McKenna  
Richard A. Karre  
Gregory L. Cannon  
Sondra J. Tomlinson  
Suite 700  
1020 19th Street, N.W.  
Washington, DC 20036  
(309) 672-2861

Attorneys for  
U S WEST, INC.

Of Counsel,  
Dan L. Poole

August 30, 1996

FROM :

272(e)(4) will allow the BOCs "to cross-subsidize long distance service and engage in discrimination against facilities-based long distance carriers[.]"<sup>33</sup> But we are not told just how the BOCs will do this, in light of the equality requirement, and it is not at all obvious. Indeed, the most likely impact of a proper interpretation will be to lessen the reliance of non-facilities-based IXCs on AT&T for their transport.<sup>34</sup>

**IV. THE PROPOSED INTERPRETATIONS OF THE JOINT MARKETING PROVISIONS WOULD READ THOSE PROVISIONS OUT OF THE ACT (TT 90-93)**

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Once a BOC has received Commission authorization to provide in-region, interLATA service, Section 272(g)(2) allows it to market and sell its separate affiliate's in-region, interLATA service. This provision addresses only a BOC's actions with respect to the in-region services of its separate affiliate; it does not address at all what a BOC may or may not do with respect to services provided by unaffiliated IXCs. Hence, the Commission must reject out of hand MCI's suggestion that Section 272(g)(2) prohibits a BOC from "teaming" with an unaffiliated IXC.<sup>35</sup>

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<sup>33</sup> AT&T at 42-43.

<sup>34</sup> AT&T claims that the interplay of Section 271(f), which "sunsets" all of Section 272 except subsection (e), and Sections 272(e)(2) and (4), which, by their terms, apply only to dealings between a BOC and a separate affiliate, means that a BOC must continue to provide interLATA services in a separate affiliate, even though the separation requirements of Section 272 (except for subsection (e)) no longer apply to that affiliate. AT&T at 30 n.29. Of all the possible interpretations of these provisions, this is surely the least likely. The better interpretation is that these two provisions continue to apply to a separate affiliate if the BOC chooses to maintain its interLATA business in such an affiliate, or that they apply to the BOC's interLATA operation, even after it has been integrated into the BOC.

<sup>35</sup> MCI at 47.